Revising the Yukon Agriculture Policy

Department of Energy, Mines and Resources
Government of Yukon

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This document is available in French upon request.
Version français sur demande.

1.0 INTRODUCTION

This paper is designed to gather your input on changes to the Yukon's agriculture policy. It outlines the current agriculture policy, the main issues with the current policy, and the new policy directions being considered.

1.1 Policy Review Paper Consultation Process

Consultation on this paper is phase two of the overall process to revise the Yukon agriculture policy. In July 2003, the Yukon Cabinet directed the Department of Energy, Mines and Resources to begin a process to revise and update the Yukon's agriculture policy.

Between August and December 2003 industry stakeholders, Yukon First Nations, Boards and Councils were invited to provide input on issues that concerned them and changes they would like to see in the current agriculture policy. The input received during this phase of consultation is summarized in the report: *Revising the Yukon Agriculture Policy: Phase One Consultation Report.* Copies of the report can be obtained from the Agriculture Branch at the Department of Energy, Mines and Resources or online at www.emr.gov.yk.ca/agriculture.

Once the consultation on this Policy Review Paper is complete a consultation summary will be prepared and released to the public. Government will then consider input it received and prepare a revised policy.

The targeted timeline for this process is as follows:

- Public review of Policy Review Paper — August - Oct.
- Prepare a Revised Agriculture Policy and consultation summary — Oct. – Nov.
- Approve Revised Yukon Agriculture Policy — Dec.

1.2 How to Provide Your Feedback

You can record your responses in the space provided. If you require additional space, please write your comments on a separate piece of paper, and note the topic number beside your response. When complete, please drop off your document to room 320-300 Main Street, Whitehorse or mail it to:

Consultation on Agriculture Policy
Agriculture Branch
K-320 – Box 2703
Whitehorse, Yukon
Y1A 2C6

You can also:

- Download a copy of the Policy Review Paper from our web site at www.emr.gov.yk.ca/agriculture;
- E-mail your input to: agriculture@gov.yk.ca;
- Attend one of the Open Houses which will be advertised in your local newspaper and radio; or
- Contact Mary Lynn at (867) 667-5838 or toll –free at 1-800-661-0408, ext. 5838 to set up a meeting with staff to discuss in more detail.

Deadline for Comments:

The deadline for providing your input on this discussion paper is: **Thursday, September 30, 2004.**

1.3 The Yukon Agriculture Industry

Agriculture has been an important part of Yukon life since the Gold Rush. In those days, being able to obtain locally grown food was often the difference between eating and going hungry. Since that time, improvements in transportation have resulted in much of our food being imported from the south. Yukon farms, however, still play an important role by providing fresh, healthy products for local consumption.

In 2001, there were over 170 farms in the territory. Total farm capital investment, including land, buildings, equipment and livestock, is reported at $50.2 million and industry production totaled $4.2 million. Most of these farms are in the Whitehorse area. The main products include forage crops, bedding plants, vegetables, broilers, eggs, meat and game farm animal products. Most production is for the local market. There is also limited hay export to Alaska.

There are many challenges facing the Yukon industry. Growing conditions are difficult. The local industry and land base is still relatively small. As a result, the industry is operating at poor economies of scale. Operating costs are high, there is a lack of infrastructure, and access to capital can be difficult. Local markets for agricultural products are also limited. Programs such as crop insurance or income stabilization programs have not been available to Yukon farmers in the past, which can make operating a farm financially risky. These factors make it economically challenging to operate a farm in the Yukon.

Despite these challenges, there are examples of successful farms in almost every Yukon community. These farms are producing high quality fresh products for local consumption, and are providing income for the farmers. Recent studies have also identified opportunities for further growth in the industry. These are in the areas of market gardening, vegetable production, forage production, feed crops, beef production, value added food processing, agri-tourism, native grass seed production and country foods production and processing.

1.4 The Yukon Agriculture Policy

The Yukon government adopted the current Yukon Agriculture Policy, called *Agriculture for the 90's: A Yukon Policy,* in 1991. A policy evaluation was carried out in 1999 and it concluded that the policy should be updated to meet the changing needs of the industry. It identified the need for policy development in the areas of utilization of agricultural land, production inducements, land pricing, game farming, environmental impacts, land disposition, and non-soil based agriculture.

Recent studies of Yukon agriculture have also identified the need for an updated policy. The *Yukon Agriculture Multi Year Development Plan* (2000) identified the need for policy revisions on the topics of land availability, energy, crop insurance, income stabilization, freight costs and lifestyle farmers.

In 2002, Yukon entered into a five-year federal / provincial / territorial *Agricultural Policy Framework* Agreement (APF). The APF puts a priority on developing an industry that is economically viable, environmentally sustainable, and produces high quality and safe food. The APF commits governments to new policies and programs on business risk management, renewal, environment, food quality and food safety, and science and innovation.

The *Strategic Analysis of the Yukon Agricultural Industry* (2003) identified the need for revisions on the topics of business risk management, food safety and quality, environment, extension services, infrastructure, marketing, land disposition, industry organizational support, research, and science and innovation.

In revising the agriculture policy, government is taking into consideration the recommendations of the 1999 policy evaluation, recent industry studies and commitments made through the Agriculture Policy Framework Agreement.

REVISING THE YUKON AGRICULTURE POLICY

AN OVERVIEW OF THE POLICY REVIEW PAPER

2.0 OVERVIEW

The Policy Review Paper is designed to gather public input on changes to the Yukon's agriculture policy. It outlines the current agriculture policy, the main issues with the current policy, and the new policy directions being considered. This overview simply identifies the main topics in the paper and asks for your comments. For more detail on where to send your comments and more information on each of the topic areas discussed below, please refer to the Policy Paper.

3.0 PROPOSED NEW OVERALL POLICY GOALS AND OBJECTIVES

The proposed new policy would give priority to:

- Developing a profitable and commercially viable agriculture industry;
- Promoting increased market access for Yukon agriculture products;
- Improving the utilization of existing agricultural land;
- Promoting best farming practices and the production of safe and quality food;
- Maintaining a healthy environment;
- Ensuring that agricultural development is consistent with regional and area land use planning; and
- Expressing policy goals and objectives as measurable targets wherever possible.

Key Public Issues to be Addressed in this Policy Review

4.0 AGRICULTURAL LAND DEVELOPMENT

Responsible land development is the key to successful agriculture in the Yukon. To survive, the agriculture industry needs access to land that can produce high quality goods within a reasonable distance of markets.

This topic area includes proposed policy direction on:

- **Planned agricultural areas** , which are developed by government similar to other government land developments, and which will continue to be part of the agricultural land disposition process.
- **Spot land applications :** Spot land applications will also continue to be part of the agricultural land disposition process.
    - **Land use planning concerns** : The proposed changes to the agriculture policy provide that spot applications will be accepted, even if a land use plan is not in place for the area.
    - **Lifestyle based applications :** Lifestyle based applications will continue to be part of the agriculture policy.
    - **Non-soil based spot land applications** . These land dispositions are not dependent on the quality of the soil and often require a market fairly close by. They will only be considered where they are part of a planned agricultural area.
- **Application process:** will change to conform to new legislative requirements as a result of the Development Assessment Process (DAP) negotiated as part of the Yukon land claim agreements.

- **Land pricing**: The land pricing system for the most part will not change. Proposed changes include allowing the cost of the survey to be deducted from the appraised market value – when determining the amount of development required.
- **Agreement for Sale timelines**. Currently, agricultural land is subject to a 5-year Agreement for Sale timeline, so that title can be granted within five years. However, the intent is to increase the time from 5 to 7 years to allow farmers more time to complete all the necessary development before they can acquire title to their property.
- **Game farming land requirements**. Currently, land acquired for game farms must have the same quality of land (for farming purposes) as other agricultural parcels. Because game farms are considered to be agricultural, they can be sold and developed for other agricultural uses. Therefore, the intent is to maintain Class 5 land requirements for game farm applications.
- **Regulating land uses**. The intent is to provide more flexibility for accessory uses/ diversification on agricultural parcels for two main reasons: one is to allow farmers to expand their businesses (for example, permitting an on-site market); and the other is to allow farmers to earn an additional income by permitting home-based businesses activities, such as a family day home or a bed and breakfast, etc. This will require regulatory changes for those areas where the land is already zoned for agriculture.
- **Agricultural land utilization**. The intent is to try to improve utilization of agricultural land for agricultural purposes. This will help increase the profitability and commercial viability of agriculture in the Yukon, which is one of the overall goals of this policy. Improving utilization of agricultural land could be done through a combination of incentives for use and penalties for non-use.
- **Subdivision of agricultural parcels**. The intent is to permit subdivision, while ensuring the primary agricultural use of the land will be maintained. This will require legislative changes to the *Subdivision Act.*
- **Farm land leases**. Leasing agricultural land will be dropped, as it has not been a very popular option for people who want agricultural land. Generally, people want to have title to their land.

5.0 THE ENVIRONMENT

The 1991 policy contains a number of environmental provisions. Yukoners have a long-standing interest in environmental issues, and so this part of the policy is likely to be of public interest. The policy commits to encouraging the development and adoption of management techniques and skills that are oriented to environmental sensitivity and sustainable production systems. The policy also notes that programs and policies must take into account environmental sustainability in their design and delivery. The policy also commits to:

- Ensuring that all farm developments conform to the regulations and requirements of applicable legislation (e.g. Yukon *Environment Act*, YESAA, etc.)
- Practicing proper soil management and conservation; and
- Incorporating a variety of measures and guidelines in the land application review process to ensure that environmental concerns are adequately identified and addressed.

This part of the policy will not change. With the continued growth of the industry greater emphasis is being placed on agri-environmental planning as a preemptive measure to ensure that on farm practices are environmentally sound and that agricultural areas do not infringe on key wildlife areas.

Another important consideration is that with the signing of the *Agriculture Policy Framework Agreement* (APF), the Yukon made a number of additional environmental commitments that are not yet reflected in the policy. The revised policy should reflect these new commitments.

6.0 FOOD SAFETY AND FOOD QUALITY

At present, both the Yukon and federal governments are involved in food safety and food quality, through the *Agricultural Products Act* (Yukon) and the *Public Health and Safety Act* (Yukon) and the *Food and Drug Act* (Canada).

The goal of food safety and food quality is to protect human health all along the field-to-fork continuum, increase consumer satisfaction and confidence, and improve market access for agricultural products. This is, of course, a matter of interest to all consumers, and to Yukoners, so this part of the Policy Paper is likely to be of interest to the general public.

Recent events in southern Canada in relation to animal diseases have brought considerable public attention to the topic of food safety and food quality. Food consumers are becoming more aware of its importance. The revised policy must reflect these new public and consumer priorities.

In addition to the 1991 policy, the *Agricultural Policy Framework Agreement (APF)* identifies food safety and food quality as a key pillar of the agreement. The *APF* provides a mechanism to coordinate food safety and food quality policies and programs on a national basis. These policies will be incorporated into the new agriculture policy.

7.0 STRENGTHENING THE AGRICULTURAL ECONOMY

The key to the success of an agriculture industry in the Yukon is to make it profitable and economically viable. Farmers need to be able to make a reasonable living from their land.

The 1991 Policy supports the creation of an economic agriculture industry. It states: "The Yukon's agricultural sector has the potential to expand and develop as an important part of the territorial economy. The government's agricultural programs are designed to promote a sustainable, self-sufficient (market driven and economically viable industry in the territory."

The *Agriculture Policy Framework Agreement* (APF), which is an agricultural intergovernmental agreement between Canada and the provinces/territories, also identifies improving the economics of the industry as a key goal. The APF has two chapters that are designed to improve the economics of the industry - Business Risk Management and Renewal. The Business Risk Management chapter addresses crop insurance and income stabilization. The Renewal chapter provides support for training; marketing; business planning; value added production; and economic diversification. A number of the policy areas identified in this section of the discussion paper can be supported through programs developed and implemented through the APF. This topic area includes proposed policy direction on:

- Infrastructure development
- Reducing operating costs
- Marketing
- Extension services
- Training and human resource development
- Economic diversification
- Value added production
- Organic farming

8.0 SCIENCE AND INNOVATION

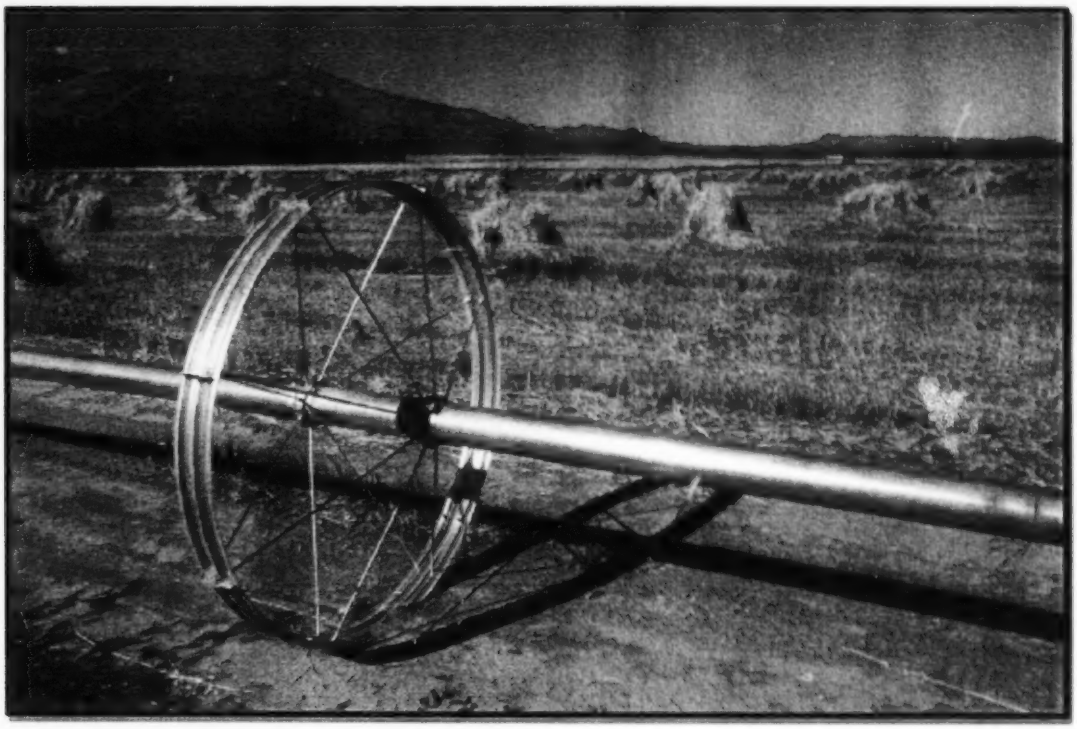
The 1991 policy supports research in the areas of production, processing and marketing. The policy also commits to technology transfer in the areas of new farm-related technology and technological development in agriculture.

The *Agriculture Policy Framework* identifies research and innovation as one of the five main pillars of the agreement. The APF commits Yukon to a number of policies and programs related to science and innovation which will be incorporated into the new agriculture policy. Specifically, the APF includes commitments to:

- Align science and innovation investments with national and territorial priorities;
- Develop a science and innovation strategy to increase investment and returns in our bio-based economy; and
- Sponsor pilot projects with industry, academic and research institutions to fill knowledge gaps identified in the development of value chain innovation strategies.

9.0 WORKING WITH OUR PARTNERS

The 1991 policy references the need to work in cooperation with other governments, industry and the public. It commits the Yukon government to promote cooperation with the federal government. It also commits the Agriculture Branch to work in cooperation with the private sector and the general public to develop a sound agriculture industry in the territory. This commitment to cooperation will be incorporated into the new policy.



2.1 Questions to Consider

Overall Policy Goals and Objectives (See Section 2.0)

1. **Q:** Do you agree with the overall policy goals and objectives? (circle one) Yes No

Comments:

Agricultural Land Development (See Section 3.0)

2. **Q:** Do you support a policy with increased emphasis on planned agricultural development? (circle one) Yes No

3. **Q:** Do you agree with the proposed policy to address land use concerns for spot land applications? (circle one) Yes No

4. **Q:** Do you agree with the proposed policy direction to address "lifestyle" based applications? (circle one) Yes No

5. **Q:** Do you agree that non-soil based spot land applications should only be considered within planned agricultural areas? (circle one)Yes No

6. **Q:** Do you agree with the proposed policy for land pricing and the 2-for-1 requirement? (circle one)Yes No

7. **Q:** Do you agree with the proposed policy to extend the agricultural Agreements for Sale from five to seven years? (circle one)Yes No

8. **Q:** Do you agree with the proposed changes to the criteria for land development for game farms? (circle one) Yes No

9. **Q:** Do you support increased opportunities for accessory uses on agricultural lands? (circle one) Yes No

10. **Q:** What types of uses should, or should not be allowed on agricultural parcels?

11. Q: Do you agree with the proposed approaches to improve agricultural land utilization?
(circle one) Yes No

12. Q: Do you have other ideas about how agricultural land utilization can be improved?

13. Q: Do you agree with the proposed policy direction for the subdivision of agricultural parcels? (circle one) Yes No

14. Q: Do you support the discontinuation of the Farm Land Lease program?
(circle one) Yes No

Comments on Agricultural Land Development:

The Environment (See Section 4.0)

15. Q: Do you support the proposed policy addressing Environmental issues?
(circle one) Yes No

16. Q: What are your main agricultural environmental concerns?

Comments on Environmental Issues:

Food Safety and Quality (See Section 5.0)

17. Q: Do you have any concerns regarding food safety and quality in the Yukon?
(circle one) Yes No

Comments on Food Safety and Quality:

Strengthening the Agricultural Economy (See Section 6.0)

18. Q: Should government be involved in developing infrastructure for the agriculture industry?
(circle one) Yes No

19. Q: Do you support the proposed policy that will assist farmers in reducing operating costs?
(circle one) Yes No

20. Q: Do you think the proposed policy adequately addresses the need for marketing Agricultural products in the Yukon? (circle one) Yes No

21. Q: Do you agree with the current focus of extension services? (circle one) Yes No

22. Q: Can the Agriculture Branch extension services be improved or expanded?
(circle one) Yes No

23. Q: Do you agree with the proposed policy support for training and human resource initiatives?
(circle one) Yes No

24. Q: Should government assist farmers in economic diversification?
(circle one) Yes No

25. Q: Do you support the proposed policy to facilitate increased value added production?
(circle one) Yes No

26. Q: Do you support the proposed policy to support increased organic farming in the Yukon? (circle one) Yes No

Comments on Strengthening the Agricultural Economy:

Science and Innovation (See Section 7.0)

27. Q: Do you support the proposed policy direction to create a science and innovation strategy and increase science and innovation projects? (circle one) Yes No

Comments on Science and Innovation:

Working with our Partners (See Section 9.0)

28. Q: Do you support the proposed policy direction for working with our partners? (circle one) Yes No

Comments on Working with our Partners:

3.0 OVERALL POLICY GOALS AND OBJECTIVES

The goals and objectives of the 1991 policy were designed to meet the needs of the times. More than a decade has passed. It is now time to revisit and update these goals and objectives.

3.1 The Current Policy

The overarching goal of the 1991 policy is to promote a sustainable, self-sufficient (market-driven) and economically viable agriculture industry in the territory. Through the 1999 evaluation and during phase one consultations, two main concerns with the current policy were identified:

Lack of Measurable Targets:

The goals and objectives of the 1991 agriculture policy are stated in general terms only. They do not identify measurable targets. The 1999 evaluation identified this as a major concern, since this makes it difficult to determine whether the objectives are being met. The evaluation recommended that objectives be stated in terms that can be clearly measured and evaluated.

Multiple Goals:

- Land Development;
- Diversity of Lifestyles; and
- Import Replacement.

The goal of the 1991 policy is to make land available for a diversity of agricultural purposes. This is to create a large enough agricultural land base to produce goods that can replace imports to the greatest extent possible. This will not change in the revised policy, but there will be renewed focus on developing a profitable and commercially viable agriculture industry.

Through this policy, 6,500 hectares of agriculture land have been disposed of. This has more than doubled the agricultural land base. The production of local goods to replace imports, however, is still very low. There are two main reasons for this:

1. Due to northern growing conditions, farmers have had to concentrate on the few crops that can be profitably grown here. As a result, most of our foods are still imported from the south.
2. Many agriculture parcels have been developed for lifestyle purposes. Most people who own these parcels are not interested in pursuing large-scale commercial food production.

3.2 What We Have Heard To Date:

In recent consultation stakeholders made a number of comments related to the overall goals and objectives of the policy. Stakeholders indicated that the policy should:

- Encourage agricultural development in the Yukon.
- Focus on developing a commercially viable industry.
- Encourage more value added processing.
- Support healthy and safe food, and healthy lifestyles.
- Support environmental health and welfare.

As well, stakeholders felt industry should:

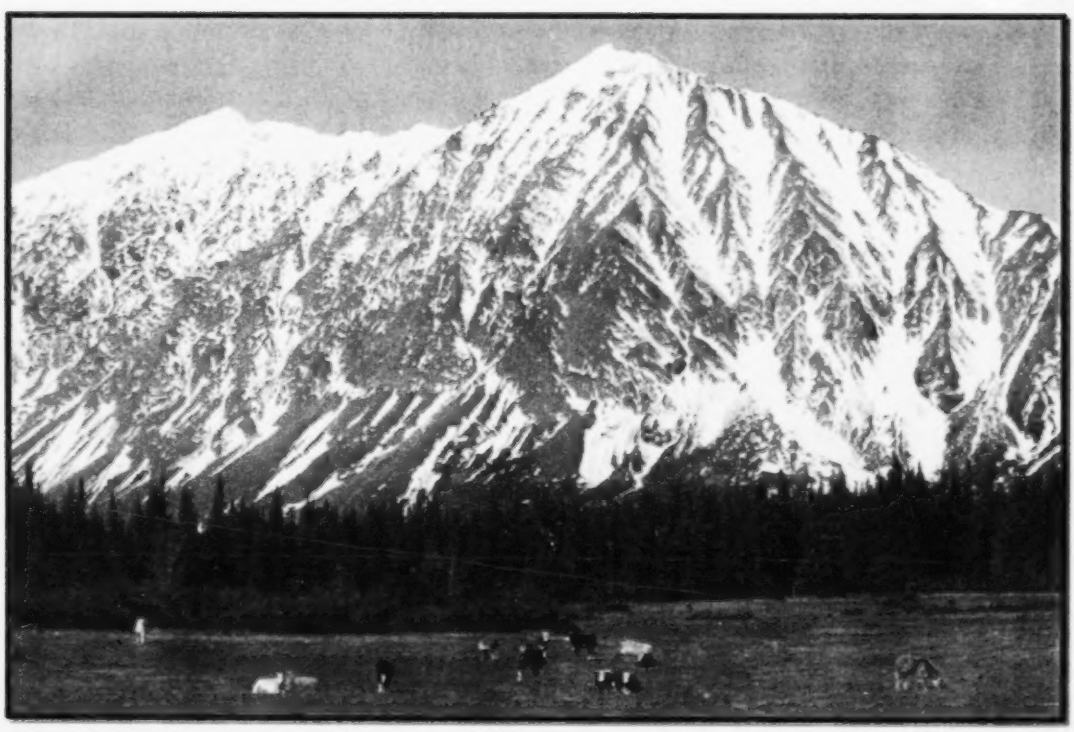
- Achieve more self sufficiency in producing local food.
- Supply more products to local stores.
- Not depend on ongoing government funding.

3.3 Proposed New Overall Policy Goals and Objectives

The proposed new policy would give priority to:

- Developing a profitable and commercially viable agriculture industry;
- Promoting increased market access for Yukon agriculture products;

- Improving the utilization of existing agricultural land;
- Promoting best farming practices and the production of safe and quality food;
- Maintaining a healthy environment;
- Ensuring that agricultural development is consistent with regional and area land use planning; and
- Expressing policy goals and objectives as measurable targets wherever possible.



4.0 AGRICULTURAL LAND DEVELOPMENT

Responsible land development is the key to successful agriculture in the Yukon. To survive, the agriculture industry needs access to land that can produce high quality goods within a reasonable distance of markets.

The 1991 policy identifies two main methods for making land available to industry:

- planned agricultural areas; and
- the spot land application process.

Most stakeholders feel that the current approaches to agricultural land development need improvement.

4.1 Planned Agricultural Areas

The 1991 policy states that the emphasis in the disposition of agricultural land will be on planned agricultural areas. In this process, the government identifies a suitable area for agriculture and develops one or more lots for disposition. This allows for directed development of the industry and can avoid some of the problems associated with spot dispositions. Since 1991, 12 new lots totaling 200 hectares have been developed and disposed of in this manner.

There are a number of concerns associated with planned agricultural areas:

- Planned agricultural areas have been slow to develop. This process has not met all the demand for new agricultural lots. Most applicants still rely on the spot land application process;
- Planned agricultural lots tend to be smaller and do not typically leave room for farm expansion. Therefore, they are less attractive for large commercial operations; and
- Lots in planned agricultural areas tend to be more expensive than spot application lots and do not offer any flexibility in terms of location.

Proposed Policy:

The Yukon government is considering the following policies in order to increase the emphasis put on planned agricultural development:

- Planned agricultural areas will continue to be developed in areas where there is an identified demand for agricultural lots;
- Government will work in consultation with local communities and planning authorities to assess the need for planned agricultural lots; assess land availability and suitability and, where appropriate, develop planned agricultural areas; and
- Planned agricultural areas will be consistent with established land-use plans.

4.2 Spot Land Applications

In the spot land application process, an applicant identifies a plot of land and follows the process to acquire it as described in the policy. The spot land application process remains the main method whereby agricultural land is developed in the Yukon. Since 1991, 234 new agricultural parcels have been approved and gone to title through this method. Several issues associated with this process have been identified.

4.2.1 Land Use Planning Concerns

The spot land application process usually involves making a spot land use decision in the absence of a completed land use plan for an area. To address land use issues, the application process includes technical and public reviews that identify potential land use concerns.

Some land managers are concerned that the spot application process can complicate the disposition process and lead to decisions that may limit future land use options for a region.

Industry applicants and members of the public have also voiced concerns that:

- The spot application process does not give adequate consideration to conflicting land uses or environmental values, and results in land being granted where it should not be;
- In the absence of a land use plan that supports agriculture, the application process is subject to too much interference from local individuals who may oppose applications for personal rather than technical reasons;
- Government should undertake improved land suitability assessments and planning in advance of agricultural applic ations to guide the land development process.

Proposed Policy:
The Yukon government is considering maintaining the following policies:

- The spot land application process will continue to be available for applicants who wish to access land in areas where there are no planned agricultural developments, and in cases where their land requirements would not be met by a planned agricultural area;
- In areas where there is potential demand for agricultural land, government will carry out technical assessments to identify lands with agricultural capability, and work in consultation with local communities and planning authorities to determine general guidelines for agricultural development in the area;
- This information will be made available to prospective applicants to assist them in making applications for agricultural land; and
- Applications will still be considered in the absence of an approved land use plan.

4.2.2 "Lifestyle" Based Applications:

The current policy supports establishing lifestyle based agricultural operations. This allows people to access land even if they are only proposing a small agricultural operation. As a result there is a concern that many people have used the agricultural land program to acquire land mainly for residential purposes. The government will work to develop an integrated rural and agric ulture land application program designed to address the full range of interests in rural land. Applicants who are primarily interested in a rural residential lifestyle will be encouraged to apply though the integrated rural land program.

Most lifestyle based agricultural operations in the Yukon are on parcels from five– 20 hectares in size. Experience has shown that for parcels in the five hectare range, uses are generally indistinguishable from rural residential uses. Applicants who want 10 – 20 hectares are typically looking for land to accommodate one to three horses.

A major concern with lifestyle applicants is that they often apply for more land than they operationally need. This usually leads to underutilized agricultural land after the parcel goes to title. This can be a serious limit to industry development, especially in areas where land is limited and much of the good quality agricultural land is already tied up with poorly utilized lifestyle farms.

Industry stakeholders and members of the public have voiced concerns that:

- The spot application process is too lenient and that it is being abused by people that are really only interested in acquiring rural residential property;
- Applicants who are mainly interested in rural residential properties should not be applying for land under the agriculture program, but should have other land programs available that are more suited to their needs; and
- Priority should be given to developing commercially viable agriculture, although they do not want to see the accommodation for lifestyle applications eliminated altogether.

Proposed Policy:
The Yukon government is considering adopting the following policies:

- A priority will be given to applicants that are committed to developing commercially viable farms;
- Lifestyle based spot applications will still be allowed, but will be assessed carefully to ensure that the area of land being applied for is based on demonstrated operational needs only; and
- Where appropriate, planned agricultural areas will be designed to accommodate parcels in the 10 – 20 hectare range for lifestyle applicants that require a parcel of this size.

4.2.3 Non-Soil Based Spot Land Applications

The 1991 Policy includes a provision to allow for non-soil based spot land applications. This is to encourage the growth of horticulture and other small scale agriculture operations on non-arable lands. Through this provision, approximately 15 six-hectare, non-soil based agriculture parcels have been created since 1991.

A main concern is that most of the parcels that have been created through this provision are now being used mainly for rural residential purposes. They are not producing any more agricultural products than what would be permitted on a rural residential lot. These parcels have not significantly increased industry production of horticultural crops.

Despite the above experience, non-soil based agriculture is still important to the Yukon industry. There needs to be some accommodation for land for commercial greenhouses or other non-soil based activities.

Proposed Policy:
The Yukon government is considering adopting the following policy changes:

- The current non-soil based spot land application process will be discontinued;
- Non-soil based agricultural lots will be created as part of planned agricultural developments; and
- A priority will be given to applicants that are committed to developing commercially viable operations.

4.2.4 The Application Process

The 1991 policy describes agricultural spot land applications in regards to eligibility, farm development agreement requirements, responsibilities of applicants, and the application review process.

The application process has been a major concern to both industry and the public. Industry views it as overly bureaucratic, time-consuming and unaccountable. Some members of the public feel the process is too lenient and does not adequately consider competing interests. Many stakeholders mentioned that, although there have been some recent improvements, further changes need to be made to the application process to make it more efficient, timely, open and accountable.

Another major concern is that the process in the 1991 policy is now subject to legislative changes. The new *Yukon Environmental and Socioeconomic Assessment Act* (YESAA) will take effect in November 2004. The application process will be revised to meet the new legislative requirements. It is recommended that the Agriculture Branch remain as the first point of contact for applications and continue to be available to provide advice to applicants regarding the process.

Proposed Policy:

The Yukon government will adopt the following policy changes:

- With the exception of eligibility criteria, the application review process as described in the 1991 Policy will be entirely redesigned to reflect the new YESAA legislation coming into effect in November 2004. Existing applications already in the system will fall under the old policy.
- Since YESAA has not yet been finalized, proposed revisions to the land application process will be subject to change pending the completion of the assessment legislation and its associated regulations.
- All requirements for agricultural land applications and YESAA reviews will be clearly defined at the outset of the process. This information will be made available to applicants.

4.2.5 Land Pricing and the "2-for-1" Requirement

The 1991 policy states that applicants are required to pay for their land on the following basis:

- The "market value" of a parcel will be determined and charged;
- A Farm Development Agreement will be established that sets out required development on the parcel; and
- One–half of the value of the approved development work can be used to offset the sale price of the land. This is known as the "2-for-1" provision.

Through the initial consultation, it has been determined that the current approach to using market value to set the price will continue. Market value of the land will be determined by the Yukon government's Property Assessment and Taxation Branch.

A number of concerns have been identified with establishing the amount if required development. In implementing the policy, the required development work is set at double the appraised value of the land. This does not always reflect the true development needs of the proposed farm. As well, close to Whitehorse, higher land values lead to higher development costs. This may be inappropriate for the operation being considered, and place extra financial burdens on the applicants. This does not appear to be as much of a problem outside of the greater Whitehorse area, where appraised land values are lower.

In phase one consultation, most industry stakeholders felt that the 2-for-1 formula works well for applications outside of the Whitehorse area and for the first parcel. However, many industry members feel the 2-for-1 requirements in the Whitehorse area are too high because of higher land values. Most industry stakeholders also felt the 2-for-1 requirements make development costs too high for a second and third parcel if the land cannot be amalgamated with an existing titled parcel.

Proposed Policy:

The Yukon government is considering adopting the following policy changes:

- The current policy on the 2-for-1 requirements will remain the same for the first parcel, with the following exception:
  - Government will recommend an amendment to the Agriculture Land Regulations to allow the cost of survey to be deducted from the appraised market value.
- Consideration will be given to reducing the 2-for-1 requirements for subsequent parcels. For example:
  - Allow the unused portions of the first parcel development costs to be applied to the 2-for-1 requirements for subsequent parcels; or,
  - Change the development requirements on subsequent parcels to 1-for-1, in which case each dollar spent on development costs would result in a one dollar reduction of land purchase cost.

- Irrigation equipment costs will be counted as a valid development credit under the Farm Development Agreement.
- Development credits will be given to reflect the quality and type of work done.

4.2.6 Agreement for Sale Timelines

Under the 1991 Policy, once an application for Agricultural land is approved, an Agreement for Sale is granted which gives the applicant five years to meet the conditions set out in the Farm Development Agreement.

Although most applicants are able to achieve their requirements within the five-year time frame, some find the short time frame difficult. The time frame can place a significant financial burden on applicants that do not have a lot of capital to begin with. In consultation, many industry members supported extending the time frame for an Agreement for Sale to seven years.

Proposed Policy:

The Yukon government proposes to extend the Agricultural Agreements for Sale from five to seven years.

4.2.7 Game Farm Land Requirements

Game Farming in the Yukon is regulated by the Yukon Game Farming Policy and the *Yukon Game Farming Regulations,* which fall under the Yukon *Wildlife Act.*

The Yukon Agriculture Policy affects the game farming industry in two significant ways:

1. It provides for the delivery of extension services to game farmers; and
2. It sets out the conditions upon which Crown land may be acquired for the purposes of game farming.

Presently, game farms must meet all of the same development standards as conventional farms, but they face the added costs of fencing.

A major concern with the current policy is that game farms are specialized operations that have different operational and land requirements than conventional farms. Game farm animals are more efficient at using native pasture and browse than traditional livestock are. Therefore, it is not always necessary for them to have the same clearing requirements as conventional farms. Also, game farms do not always require the same agronomic class of land as conventional farms. Most conventional farms require Class 4 and 5 land. Many game farmers, however, claim they can operate on Class 6 and 7 land. The current Game Farming Regulations and *Lands Act* do not allow for game farming on Class 6 or 7 land. One concern is that if the game farms were ever sold to other agricultural operators, Class 6 or 7 land would not be able to support other types of agricultural activities. Government has determined that Class 5 land requirements for game farm applications will be maintained.

Game farming has been a topic of considerable interest in the Yukon over the last few years. Most of this interest has focused on the regulation of the industry, animal health, and the ownership of game farm animals. These issues are under the mandate of the Yukon *Wildlife Act* and the Yukon *Animal Health Act* and are not part of the agriculture policy review.

On the topic of the land application process for game farming, the following opinions have been expressed:

- Many game farmers feel that the five-year time frame of development agreements is too short;

- Most members of the industry feel that the land suitability and development criteria should be more flexible to better accommodate game farm needs; and
- Some members of the public oppose any game farming in the Yukon, and feel that no land should be made available for these operations.

Proposed Policy:
The new policy will confirm that the regulation of game farms, animal health, and ownership of game farm animals are dealt with through the *Yukon Wildlife Act*, and the Yukon *Animal Health Act*, not the Yukon Agriculture Policy.
Policies being considered for game farm land requirements include:

- Game farm operators will not necessarily be required to clear 53 per cent of their parcels. Clearing requirements will be adjusted to suit operational needs;
- Game farm applicants will still be required to meet the same land pricing conditions that apply to other agricultural parcels; and
- Agreement for Sale terms will be extended to seven years.

4.3 Regulating Land Uses

Most agricultural parcels in the Yukon are subject to land use controls through the *Area Development Act* and associated regulations. These can include the *Agricultural Development Area Regulations* and/or local area development plan regulations that specify what uses can or cannot occur on the agricultural parcel.

With regard to the regulation of accessory uses on agricultural land, parcels can be put into three categories:

1. Parcels that are zoned per the Agricultural Development Area Regulations.
2. Parcels that are zoned per a local area development regulation, such as Hotsprings Road Regulations.
3. Parcels that are not zoned at all, which includes old federal land dispositions that precede the 1982 Agricultural Policy.

A major concern with the current regulations is that they often restrict the accessory uses that can be pursued on agricultural parcels. Economic diversification often involves pursuing accessory uses that were not originally contemplated in the farm application process, such as home based businesses, sales outlets, agricultural tourism (as described in the Agri-tourism Study prepared by Dave Loeks) or additional residences. Under existing regulations, these new uses are not allowed unless permitted by regulation. This means that the approval of a new use often requires a site-specific regulatory amendment, which can be time consuming and inefficient.

Another concern is that different agricultural parcels in the Yukon have different sets of rules. This can lead to confusion between farmers and the creation of an un-level playing field.

In phase one consultations, most stakeholders noted that farmers need to pursue economic diversification, and they supported increased opportunities for accessory uses. Stakeholders also noted, however, that the accessory uses must be carefully controlled so that they do not compromise the primary agricultural use of the land.

Some industry members also noted that large scale dog breeding operations on agricultural land can create conflicts with adjacent agricultural parcels. Problems include waste disposal which can impact the environment, and excessive dog barking which creates stress in game farm animals and livestock.

The Agriculture Branch will recommend the *Agricultural Development Area Regulations* be amended to allow for a greater range of accessory uses on agricultural parcels. The process for amending the

regulations will incorporate public input and technical review to help determine the list of accessory activities that will be allowed. Consideration is being given to accessory uses such as: home based businesses; farm related sales outlets; agricultural tourism; bed and breakfast operations; equestrian centers; guest ranches and family day homes.

Proposed Policy:
Changes that will allow accessory uses on agricultural parcels will require a coordinated Yukon government approach to agricultural land uses, with regulation changes required under several different laws.

- Accessory uses must be compatible with the primary agricultural use of the parcel;
- Accessory uses must be compatible with adjacent parcels and the surrounding area; and
- Due to the potential for conflicts between dog operations and adjacent farms, commercial dog breeding will be considered as a discretionary use, subject to public consultation.

4.4 Agricultural Land Utilization

In order to have a commercially viable agriculture industry, the land base must be used effectively. To facilitate this, the 1991 policy specifies that 2/3 of 80 per cent (or 53 per cent) of each parcel must be cleared and put into production before title can be granted. The policy also states that:

- It is important that the limited land suitable for agriculture in the Yukon be protected from uses that are incompatible with the development of a vital and self-sustaining agriculture industry; and
- Every effort shall be made to ensure that areas designated for agriculture will be used for that purpose only, in accordance with legislation and regulations.

In total, about 12,500 hectares of land have been brought to agricultural title in the Yukon. Of this approximately 10,000 hectares are considered to be suitable for growing crops. Only 2,200 hectares of this are under active production, and 2,200 hectares are under improved pasture. This means that only about one-third of the titled agricultural land in the Yukon is actively being used.

There are several factors that may be contributing to this under-utilization:

- The high cost and hard work of operating a farm in the Yukon may discourage people from using their land. Some people may find it more attractive to pursue off farm income;
- The Agreements for Sale are for five years, which may not be enough time for some farmers to build up the required capital to continue to farm after they have acquired title; and
- Some farm property owners are mostly interested in a rural lifestyle. These people may not be interested in using their land for commercial agriculture.

Under-utilized land can limit the growth of the Yukon agriculture industry. This is especially true around Whitehorse where there is high demand for new commercial farm land, yet much of the suitable land is being used for residential purposes. To address the problem government will develop an integrated rural and agriculture land application program. People interested primarily in a rural residential lifestyle will be encouraged to apply through other programs that are more suited to their needs.

Proposed Policy:
The Yukon government is considering the following policies to improve agricultural land utilization:

- Develop information, education, extension and incentive programs to encourage farmers to return idle land into production;
- Encourage those holding farm parcels to return idle land into production;
- Introduce tax benefits for utilized land and penalties for non-utilized land; and
- Work with industry to facilitate land sales, leases and/or shared use arrangements on underutilized lands to bring them back into production.

4.5 Subdivision of Agricultural Parcels

The current policy states that the subdivision of farmland will not be permitted. This prohibition is also contained in the *Subdivision Act* and the *Agricultural Development Area Regulations*, which are administered by the Department of Community Services. Any change to allow subdivision on agricultural parcels would require changes to the *Subdivision Act* and the *Agricultural Development Area Regulations.*

Technical arguments can be made both for and against subdivision. In some cases, part of a parcel may not have suitable soils for agriculture. By subdividing off that portion, a farmer may be able to raise needed capital to develop the rest of the parcel. In other cases, an older farmer may wish to sell or pass the farm on to a younger operator, but not want to give up his or her home-site. Subdivision would allow the retiring farmer to stay in the home and sell the rest of the farm to someone who would make better use of it.

On the other hand, if uncontrolled subdivision were allowed, it could lead to good farmland being converted into numerous small lots that would be uneconomic to farm, and the agricultural land base would be reduced.

Although stakeholders voiced a number of reasons for and against allowing subdivision, all stakeholders agreed that, if allowed, subdivision should be very tightly controlled to ensure it does not reduce the agricultural capability or utilization of the land. The *Subdivision Act* would need to be amended before subdivision could be considered.

Conditions under which subdivision will be considered include:

- One time subdivision per parcel only;
- Parcels may be subdivided into two parcels only, one to accommodate the existing home-site, and one to accommodate the creation of a new parcel; and
- All newly created parcels must be large enough to be a viable economic farm unit.

Proposed Policy:

- Consideration will be given to revising the *Subdivision Act,* Agricultural Regulations under the *Lands Act* and the Agricultural Development Area Regulations to allow for rigorously controlled subdivision of agricultural parcels. Changes to the Act and regulations will involve further public review.

4.6 Farm Land Leases

The current policy permits Farm Land Leases to access land where fee simple title is not in the best public interest, and to accommodate parcels larger than six hectares for agriculture uses on non-arable sites.

Under the agriculture regulations, a parcel of 65 hectares can be leased for agriculture uses even though the soil is not arable. Leases can be with terms up to 30 years. Leases are to be used in cases where the agricultural use will have potential conflicts with other desirable land uses, and where large areas are required for uses that require only a minimum amount of development or capital investment, such as a game farm browse area.

The agriculture industry has not shown any real interest in the Farm Land Lease program. The main concern is that the huge up-front costs of development make a lease a poor risk. The lease rate is tied by regulation to 10 per cent of the appraised market value of the land, which can be high especially in the greater Whitehorse area. Even though the policy allows for some flexibility in how values and rates are assessed, the resulting costs are still seen as too high by industry members, making this option unattractive.

Proposed Policy:

The Yukon government is proposing to discontinue the Farm Land Lease program.

5.0 THE ENVIRONMENT

Maintaining a healthy environment is important for all Yukon people, and the Yukon agriculture industry currently enjoys a relatively good environmental record. Given the small size of the industry, agriculture has had a low impact on the landscape as a whole. The good environmental practices of Yukon farmers have helped industry avoid the environmental problems often associated with farmed areas in southern Canada.

The 1991 policy contains a number of environmental provisions. The policy commits to encouraging the development and adoption of management techniques and skills that are oriented to environmental sensitivity and sustainable production systems. The policy also notes that programs and policies must take into account environmental sustainability in their design and delivery. The policy also commits to:

- Ensuring that all farm developments conform to the regulations and requirements of applicable legislation (e.g. Yukon *Environment Act*, YESAA, etc.);
- Practicing proper soil management and conservation; and
- Incorporating a variety of measures and guidelines in the land application review process to ensure that environmental concerns are adequately identified and addressed.

This part of the policy will not change. The main concern with the existing policy is that with the continued growth of the industry, there needs to be a greater emphasis placed on agri-environmental planning as a preemptive measure to insure that on farm practices are environmentally sound and that agricultural areas do not infringe on key wildlife areas.

Another important consideration is that with the signing of the *Agriculture Policy Framework* (APF), Yukon made a number of additional environmental commitments that are not yet reflected in the policy. The revised policy should reflect these new commitments.

Proposed Actions :

Government will:

- Conduct agri-environmental scans of the Yukon agriculture industry as a whole to identify emerging environmental issues that may need to be addressed;
- Undertake monitoring of soil and water quality in and around farm lands to ensure that appropriate environmental standards are maintained;
- Work with industry to develop and implement environmental farm plans; and
- Work with industry to identify and promote best management practices.

6.0 FOOD SAFETY AND FOOD QUALITY

At present, both the Yukon and federal governments are involved in food safety and food quality, through the *Agricultural Products Act* (Yukon) and the *Public Health and Safety Act* (Yukon) and the *Food and Drug Act* (Canada).

The goal of food safety and food quality is to protect human health all along the field-to-fork continuum, increase consumer satisfaction and confidence, and improve market access for agricultural products.

Recent events in southern Canada in relation to animal diseases have brought considerable public attention to the topic of food safety and food quality. Food consumers are becoming more aware of its importance. The revised policy must reflect these new public and consumer priorities.

In addition to the 1991 policy, the *Agricultural Policy Framework (APF)* identifies food safety and food quality as a key pillar of the agreement. The *APF* provides a mechanism to coordinate food safety and food quality policies and programs on a national basis. This is to ensure a high level of food safety in our agricultural products, as well as enhance consumer confidence in these products at both the national and international level.

Despite the presence of a supportive policy and enabling legislation, there continue to be significant gaps in the implementation of a comprehensive food safety and food quality program for the Yukon. Most food processed for sale or distribution in the Yukon is not subject to any regulatory program (i.e. inspection, monitoring, surveillance and/or approval).

Proposed Actions :

Yukon will work cooperatively with industry and the Government of Canada to:

- Review current legislation and regulations on food safety and food quality, and identify gaps and areas for improvement;
- Make legislative and regulatory improvements as required; and
- Work through the APF to develop and implement programs to address on-farm and post-farm food safety, food quality and traceability. These programs may include:
  - inspections, monitoring and surveillance;
  - developing database systems;
  - emergency planning; and
  - implementing hazard analysis critical control point (HACCP)[1] systems

[1] "HACCP" means Hazard Analysis Critical Control Point system; a world-wide recognized, science-based, preventative approach to food safety that addresses hazards by anticipating and preventing such hazards prior to inspection of the final product.

7.0 STRENGTHENING THE AGRICULTURAL ECONOMY

The key to the success of an agriculture industry in the Yukon is to make it profitable and economically viable. Farmers need to be able to make a reasonable living from their land.

The 1991 Policy supports the creation of an economic agriculture industry. The Yukon's agricultural sector has the potential to expand and develop as an important part of the territorial economy. The policy states that government's agricultural programs are designed to promote a sustainable, self-sufficient, market driven and economically viable industry in the territory.

The *Agriculture Policy Framework* (APF), which is an agricultural intergovernmental agreement between Canada and the provinces/territories, also identifies improving the economics of the industry as a key goal. The APF has two chapters that are designed to improve the economics of the industry - Business Risk Management and Renewal. The Business Risk Management chapter addresses crop insurance and income stabilization. The Renewal chapter provides support for training; marketing; business planning; value added production; and economic diversification. A number of the policy areas identified in this section of the discussion paper can be supported through programs developed and implemented through the APF.

The following policies are being considered to help improve the agricultural economy:

7.1 Infrastructure Development

Compared to southern Canada, the Yukon agriculture industry is still in its early development stage. Industry infrastructure is very limited. Many Yukon farms need to provide their own water, power, storage and processing facilities. This increases operating costs and restricts opportunities for production and growth.

The 1991 policy does not specifically reference infrastructure. The Agriculture Branch, however, has consistently recognized the need for infrastructure and has supported a number of related initiatives. These include support for the abattoir at the Partridge Creek farm, support for bulk fertilizer storage facilities, and support for planning and feasibility studies for various other infrastructure projects. The Agriculture Branch will work to identify infrastructure needs and assess the economic feasibility of establishing and operating this infrastructure.

Proposed Action:

The Yukon government will work with industry to:

- Facilitate the development of needed infrastructure where clear economic and industry benefits can be demonstrated.

7.2 Reducing Operating Costs

There are many factors that lead to high operating costs for Yukon farmers - the small scale of the industry leads to poor economies of scale; the Yukon has harsh northern growing conditions; agricultural supplies are often more costly in the north than they are in the south; and, distances from suppliers and markets are large, leading to high transportation costs. These costs make it difficult to run an economic business.

The *Agriculture Policy Framework Agreement* (APF) agreement provides some options for programs that can help farmers reduce operating costs. One example is the 2003 – 2004 program that provided financial assistance for farmers to transport their animals to the Partridge Creek abattoir. This made it more attractive for some farmers to have their animals processed at the licensed abattoir rather than at the farm gate.

Proposed Action:

Government will work with industry to identify ways of reducing operating costs. This will include extension services providing on farm advice, as well as considering methods such as:

- Transportation assistance programs;
- Working with co-operatives to facilitate bulk purchase, transportation and storage of supplies; and
- The continuation of a fuel tax exemption for farm vehicles.

7.3 Marketing

Establishing local markets and being able to sell products into those markets is key to establishing a successful agricultural industry in the Yukon.

Currently, markets for Yukon agricultural products are small. Because of high operating costs, local products often have a difficult time competing with less expensive outside products. Local products, however, can usually command a higher price than outside products, because they are usually higher quality, fresher, and people see benefit in supporting the local economy.

The 1991 Policy commits to working with the Yukon agriculture industry to identify and develop markets for local products. A major objective is to assist primary producers in determining the most suitable and marketable crops for production capability. The policy also commits to providing marketing support by assisting in infrastructure development, public awareness and strategy development, as well as providing individual advice on distribution, packaging, advertising and displaying of merchandise.

Although the 1991 Policy recognizes the need for marketing, strategic industry studies and stakeholders have identified a need for improved agriculture marketing in the Yukon. The 1998 *Yukon Grown Marketing Strategy* and the 2000 *Yukon Agriculture Multi-Year Development Plan* both identified marketing as a key step for industry. These studies also identified that there are several distinct product sectors in the Yukon, and each requires its own marketing approach depending on the product and market available.

Proposed Policy:

The Yukon government proposes to:

- Work with industry to update and implement recommendations of the *Yukon Agriculture Multi-Year Development Plan*, including:
  - increasing awareness and knowledge of marketing techniques;
  - providing appropriate direct selling support;
  - exploring and coordinating cooperative sales opportunities;
  - promoting uniform grading and pricing practices;
  - promoting a positive image of Yukon Grown products;
  - building awareness of local producers and services; and
  - exploring ways of increasing demand for local products and services;
- Work with industry and retailers to improve the supply chain of local products to retail outlets and improve communications and cooperation between producers and retailers; and
- Continue to support a local purchasing policy in relation to procuring local agricultural products for government contracts.

7.4 Extension

The 1991 Policy commits to providing extension services as a primary function of the Agriculture Branch to assist in industry growth and management. The service is provided using on-site calls, office interviews, extension courses and seminars. Extension services also include the production of newsletters, state of the industry reports, statistical reports and research/demonstration reports on work being carried out by the Agriculture Branch. The branch also has a library of industry related material that is made available to interested stakeholders.

The 1991 policy also commits to providing extension services for all areas of agricultural production and development. This includes land development, soil and crop management, irrigation, building plans, regulatory services and programs, equipment and technology, grazing management, production methods and marketing. Expertise is provided either directly by staff or by use of contracts through the Agriculture Branch.

The *Yukon Agriculture Multi-Year Development Plan* recommended four areas where the extension functions of the branch could be improved:

1. More applied research on improving production capability;
2. Improved research to assess the environmental effects of Yukon agriculture;
3. Market research to support greater penetration by Yukon products in domestic and export markets; and
4. A cost of production analysis on major products to create an awareness of economic viability.

Some of these above recommendations are already in the process of being implemented by the branch. Others are addressed elsewhere in this discussion paper.

The *Agriculture Policy Framework (APF)* agreement introduces a number of new potential programs to support industry development. The design and implementation of these programs will result in an expanded extension role for the branch.

There is strong industry and stakeholder support for the extension work that the Agriculture Branch currently provides. Extension service are seen by industry as a primary function of the branch.

Proposed Policy:

- The Yukon government is proposing to maintain existing extension services.
- Extension services will be expanded, as required, to design and implement new APF programs.

7.5 Training and Human Resource Development

The 1991 Policy does not specifically reference the need for training. The Agriculture Branch has long recognized the importance of skill development, and has supported a number of training and human resource development projects over the years. This has included putting on courses with branch staff as instructors, as well as providing funding for training programs delivered by others.

The *Agriculture Policy Framework* includes a specific Human Resource Development Initiative component which is designed to support training in agriculture.

Proposed Action:

The Yukon government would like to include the following training and human resource development initiatives in the new Agriculture policy:

- Build skills and knowledge for new entrants to the agriculture industry;
- Enhance skill development for existing farmers; and
- Enhance public awareness and knowledge in agriculture.

7.6 Economic Diversification

Many farm operators need to diversify their operations to remain economically viable. Some farmers have developed diversified operations where different parts of the farm complement each other. The Agriculture Branch will ensure Extension services assist farmers in developing diversified and integrated farm development plans, where such diversification is desired. For example, waste from the garden is used to feed the animals, and manure from the animals is used to compost the garden. This reduces costs, raises productivity and increases self sufficiency.

Many industry members also rely on non-farm income to supplement their operations. This can include doing work other than farming on their parcels, or pursuing employment outside of their farm.

The amount of non-farm economic diversification that is allowed on agricultural parcels is often determined by the zoning of the parcel. In phase one consultations, several people noted that the current agricultural zoning regulations should be revised to allow farmers to diversify. This topic is dealt with in more detail in Section 3 of this discussion paper.

The *Agriculture Policy Framework* also provides for programs that are designed to enhance on farm diversification of production to improve farm profitability. The revised policy should reflect this important goal.

Proposed Policy:
The Yukon government supports diversification of farm operations in the Yukon through:

- Supporting a regulatory review process to address the issue of accessory uses on agricultural parcels to allow for greater diversification while recognizing other land uses on adjacent parcels (see proposed policy section 3.3); and
- Developing programs to assist farmers with on farm diversification.

7.7 Value Added Production

Value added processing takes an unfinished product and processes it into a more finished product. For example, a farmer can grow berries and sell them as an unfinished product, or process the berries and sell preserves as a value added product. In many cases, value added processing has the potential to diversify the farm business and enhance its economics.

Currently, a minimal amount of value added processing is done. Most sales are for the unprocessed product at the farm gate. Recent industry studies have identified increased value added processing as an opportunity for industry growth. In phase one consultations, some stakeholders expressed an interest in value added processing as one way of making their products more attractive to local markets.

The *Agriculture Policy Framework* also identifies value added processing as important for industry development. Some *APF* programs in the Yukon can be used to support the development of value added production in the territory.

Proposed Action:
Government will help facilitate increased value added production by providing:

- financial support for developing value added operations (as per APF programs);
- support for planning, feasibility studies and training in value added processing; and
- information on Value Added Production readily available to producers.

7.8 Organic Farming

Organic farming and production are expanding in the Yukon. Organic products meet a market sector that seeks out local, environmentally responsible, healthy and sustainable agricultural products. Organic farming, although still only a small part of the agriculture industry as a whole, is the fastest growing agricultural sector in Canada. Local organic operators provide both economic and environmental benefits to the Yukon.

The 1991 policy does not differentiate between conventional and organic agriculture. Current trends, however, point to a growing sector of our industry that requires specific support to develop and meet organic certification standards. In order to meet these standards, organic farmers require inspection services specific to their industry and in some cases separate facilities to process and store products.

Proposed Action:

Government will help support development of organic farming through:

- extension services;
- working with organic farmers and organizations to support industry in areas of training, information, certification and marketing; and
- providing access to funding through the APF that will address sector specific needs to develop the organic farming sector in the Yukon.

8.0 SCIENCE AND INNOVATION

Science and innovation is important to the agriculture industry. Keeping in touch with current information, technology and best practices is key to developing a vibrant industry.

The 1991 policy supports research in the areas of production, processing and marketing. The policy also commits to technology transfer in the areas of new farm-related technology and technological development in agriculture.

The main concern with the current policy is that while it supports research, it does not provide a specific direction or strategy for research and development in the territory.

The *Agriculture Policy Framework* identifies research and innovation as one of the five main pillars of the agreement. The APF commits Yukon to a number of policies and programs related to science and innovation. Specifically, the APF includes commitments to:

- Align science and innovation investments with national and territorial priorities;
- Develop a science and innovation strategy to increase investment and returns in our bio-based economy; and
- Sponsor pilot projects with industry, academic and research institutions to fill knowledge gaps identified in the development of value chain innovation strategies.

Proposed Policy:

The Yukon government will work cooperatively with industry and the Government of Canada to:

- Set research and innovation priorities;
- Develop a science and innovation strategy for Yukon agriculture;
- Further develop the circumpolar network; and
- Sponsor pilot projects as appropriate with industry, academic and research institutions.

9.0 WORKING WITH OUR PARTNERS

The 1991 policy references the need to work in cooperation with other governments, industry and the public. It commits the Yukon government to promote cooperation with the federal government. It also commits the Agriculture Branch to work in cooperation with the private sector and the general public to develop a sound agriculture industry in the territory. It is important that this cooperation be maintained.

The 1991 Policy was established before the completion of Yukon First Nation Land Claims. Now that the majority of Yukon First Nation Final Agreements are completed, there are new roles and responsibilities for Yukon First Nation governments and resource related boards and councils such as the Yukon Fish and Wildlife Management Board, the Yukon Land Use Planning Council, and various Renewable Resources Councils.

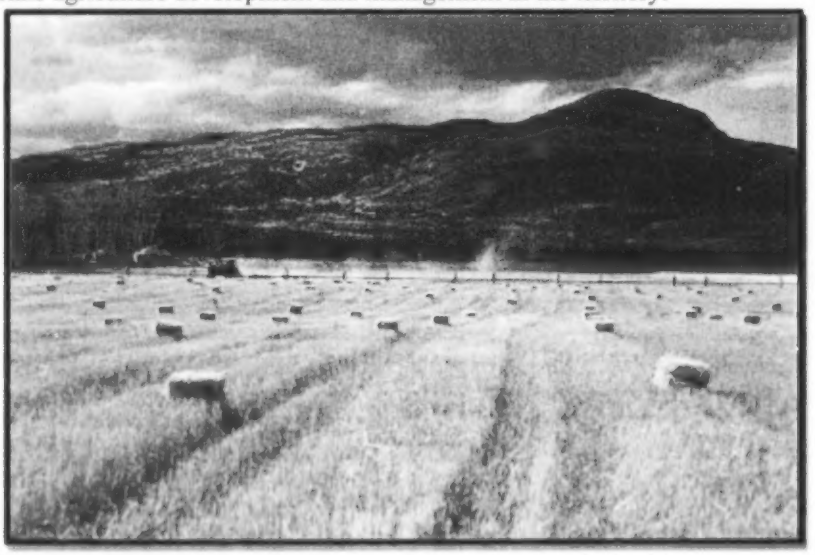
Through the *Agriculture Policy Framework* (APF), the federal government has also recently enhanced its role in agriculture development in the territory. The APF provides for federal involvement in the design and delivery of industry development programs. It also sets the framework for adopting national standards on important items such as business risk management and food safety and food quality. The federal government is also involved in delivering federal industry assistance programs such as the CARD program. It is important that this territorial - federal cooperation continue.

Cooperation with the agriculture industry is also important. This includes working with individual farmers as well as industry organizations. It also includes working with the processing, handling and retail sectors of the food industry.

Proposed Action:

The revised policy will recognize new responsibilities associated with land claims, and foster a positive working relationship between the Yukon government, First Nations governments and the relevant boards and councils. The Yukon government will

- Work in cooperation with other governments to facilitate the appropriate development and management of agriculture in the territory.
- Work in cooperation with mandated boards and councils to facilitate the appropriate development of agriculture in the territory.
- establish good working relationships with industry members and organizations to facilitate appropriate agriculture development and management in the territory.



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